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CLASSIFICATION

SECRET - SECURITY INFORMATION

CENTRAL INTELLIGENCE AGENCY

REPORT NO.

INFORMATION REPORT

CD NO.

25X1A

COUNTRY East Germany/Russia/China

DATE DISTR. 1st 1953

SUBJECT East German Government Subsidy of Food Imports

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25X1A

PLACE
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INFO.SUPPLEMENT TO
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1. The import prices of grains and other foods include the cost of the food commodity, the insurance, the freight to the East German border and the reloading charges at West Litovsk. To these prices must also be added a 3.3 per cent EIA trade margin. The total price then makes up the current import price, which the DLA should charge the VEB (government agricultural commodities procurement agencies). Not included in the quoted prices are the freight charges from the East German border to the VEB warehouse or to food processing plants, and the VEB service charge.
2. The domestic prices are calculated f.o.b. the VEB warehouse and do not include the trade margin and the freight expenses from the VEB warehouse to the consumer; but they do include the "Fruchtarusch" premium of DM 10. The average freight expenses and trade margins amount to DM 30 a ton of grain.
3. To the import prices of nuts and soyabeans from China, must be added the operating cost of DME 60 a ton for pressing the nuts and beans, and for the refined product, an additional DME 60 must be added, in addition to the freight charges and trade margins which usually amount to DME 63.
4. In order to conceal the difference between the actual import price and the domestic price for the public, the East German government subsidizes the difference in price.
5. The following table indicates the price per ton of imported grain, nuts and soyabeans and the price per ton charged the East German consumer:

Commodity	Import price	Price f.o.b. VEB
Wheat	DM 305.33	DM 218.00
Barley	DM 324.04	DM 234.00
Oats	DM 285.64	DM 195.00
Corn	DM 357.52	DM 302.00
Rye	DM 362.00	DM 206.00
Barley (for breweries)	DM 411.15	DM 234.00
Nuts from China	DM 700.70	- - -
Soyabeans from China	DM 400.00	- - -

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- 2 -

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1. [REDACTED] Comment: Possibly an expression meaning early threshing.

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